Guyana: Hoyte Taking Charge

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We anticipate no major changes in Guyana's domestic or foreign policies in the near future despite the recent death of President Forbes Burnham, who had ruled the country for more than two decades. In accordance with Guyana's Constitution, Prime Minister Desmond Hoyte became President, and Deputy Prime Minister Hamilton Green was named Prime Minister in August. Hoyte has declared his intention to follow Burnham's socialist policies and says elections will be held by March 1986, as constitutionally required. For now he appears in control and gets high marks for his initial political moves.



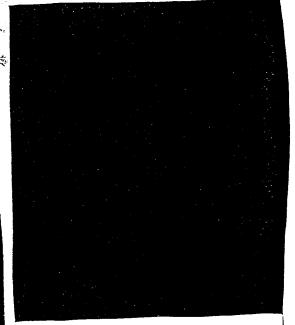




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President Hoyte





A national election is not constitutionally required until next March, but most observers expect it will be held in mid-December. Last month, the Guyanese military—which is responsible for transporting ballot boxes from polling places to counting sites—held a mock election exercise at Guyana Defense Force headquarters, and PNC activists have held seminars on election procedures. Many observers believe the ruling party would lose a fair election, assuming ballots were cast along racial lines. Indo-Guyanese, who make up slightly over 50 percent of the population, traditionally have supported the opposition People's Progressive Party (PPP), while Afro-Guyanese—who comprise 43 percent—have backed the ruling party.

to supervise the polling process, echoing one of Burnham's last public pronouncements. (S NF NC)

To keep the PPP off balance as election preparations go forward. Hoyte is continuing talks on formation of

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a coalition government.

Publicly, Hoyte and Cheddi Jagan—Marxist leader of the PPP—are calling for cooperation between the parties, and two meetings have occurred between the leaders to discuss the merger.

Although we believe that,
the leaders will continue
the talks, we doubt Hoyte would risk a split between
the moderate and radical factions in the PNC by
agreeing to a power-sharing arrangement.

Under Burnham, the military was a key factor in the PNC's tenure in power. In return, the overwhelmingly Afro-Guyanese officer corps has owed its privileged position to the PNC. Hoyte has taken steps to ensure the continuation of mutual support. One of his first acts as president was the promotion of the two top officers in the Guyana Defense Force. Moreover.

emphasized his intention not to interfere in military affairs.

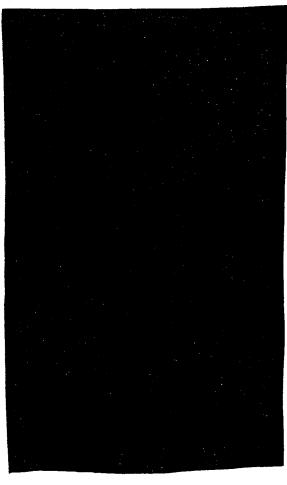
Nevertheless, we believe Hoyte can count on the support of the military as long as he continues to protect its perquisites and there is no widespread civil unrest.

Foreign Policy Shifts

We anticipate little change in Guyana's foreign policies at least through the election period. Nonetheless, we believe Hoyte's more pragmatic style and his narrowed options in dealing with the country's prolonged economic decline suggest that over the longer term he will pursue a more balanced foreign policy than his predecessor. Any changes are likely to be undertaken cautiously, however, to preserve party unity.

local press reporting was taking a more evenhanded approach to the United States. We believe Hoyte may hope to improve relations with

Washington, but we do not expect an early move in this direction.



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